



**News Announcement  
For immediate release**

**Contact:** Tom Gdowski  
308-382-3136  
[tgdowski@equitableonline.com](mailto:tgdowski@equitableonline.com)  
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Grand Island, Nebraska

- Equitable Financial Corp, parent company of Equitable Bank, reported profits of \$869,000 for the second quarter of the fiscal year ended June 30, 2020, or \$0.28 per share, compared to \$379,000, or \$0.12 per share for the second quarter of fiscal year June 2019.
- Net interest income increased \$344,000, or 13% during the second quarter of fiscal year June 2020 compared to the second quarter in fiscal year June 2019. The primary reason for the increase is attributed to growth in gross loans. Net loans were \$312.8 million at December 31, 2019, representing an increase of \$41.0 million, or 15%, compared to \$271.8 million at December 31, 2018.
- Noninterest income also increased year over year. Noninterest income increased \$661,000, or 79%. This increase is attributable to increased volume in brokerage fee income, gain on sale of loans and other income.
- Noninterest expense increased \$450,000, or 16% for the second quarter of fiscal year June 2020 compared to the second quarter of fiscal year June 2019. The primary increases were in salaries and employee benefits, data processing fees, occupancy and equipment, and other expenses. These increases were a result of general operating expense increases.
- Total assets were \$357.0 million as of December 31, 2019, an increase of \$26.8 million, or 8% from June 30, 2019.
- During the same period deposits increased \$9.5 million or 3%, to \$292.8 million at December 31, 2019 from \$283.3 million at June 30, 2019.
- Measures of asset quality remain healthy as levels of past dues and nonperforming loans continue to remain low.

During the quarter we repurchased 16,350 shares of stock for a total of \$200,511, at an average price per share of \$12.26.

“Net income for the quarter continued to be strong and represents improvements in all areas of operations. Last quarter, the Bank experienced significant new loan originations of commercial and ag loans along with robust mortgage volumes. The loans we generate continue to come from our current markets, are organic in nature, and also represent solid long-term relationships for the Bank. With the depressed commodity markets, we continue to be selective in underwriting and focus on operators that have demonstrated the management ability to endure these agricultural cycles. The non-interest income generated by brokerage fee and commission income has also increased due, in part, to the addition of staff and sustained stable equity markets. The mortgage department has also experienced record growth and adds significant fee income in addition to deposit relationships for the Bank. Our customers value the local underwriting and servicing which generates a long-term value for them and the Bank. “

## **About Equitable Financial Corp.**

Equitable Financial Corp. is the holding company for Equitable Bank, which is a Nebraska-based community bank headquartered in Grand Island. Equitable Bank has been in operation since 1882. A full-service bank with 4 branches in Grand Island, North Platte and Omaha, Equitable offers consumer, commercial and Ag loans, home loans, checking and savings accounts, financial planning and retirement services.

## **Forward-Looking Statements**

When used in this Press Release, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” or similar expressions are intended to identify “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to certain risks and uncertainties including, but not limited to, changes in economic conditions in the Company’s market area, changes in policies by regulatory agencies, fluctuations in interest rates, demand for loans in the Bank’s market area, competition that could cause actual results to differ materially from historical earnings and those presently anticipated or projected, and other risks described in the Company’s filings with the Securities and Exchange Commission. The Company cautions readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. The Company advises readers that the factors listed above could affect the Company’s financial performance and could cause the Company’s actual results for future periods to differ materially from any opinions or statements expressed with respect to future periods in any current statements. The Company does not undertake, and specifically disclaims any obligation, to publicly release the result of any revision which may be made to any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

## Equitable Financial Corp.

Selected Financial Data - Quarterly Trend

Unaudited

(Dollars in thousands, except per share amounts and percentages)

### Quarter Ended Fiscal Year June 30,

	2020		2019				2018			
	December 31	September 30	June 30	March 31	December 31	September 30	June 30	March 31	December 31	September 30
<b>Selected Financial Data</b>										
For the period:										
Interest income	\$ 4,029	\$ 3,879	\$ 3,734	\$ 3,393	\$ 3,266	\$ 3,164	\$ 3,007	\$ 2,913	\$ 2,804	\$ 2,805
Interest expense	\$ 1,092	\$ 1,075	\$ 972	\$ 796	\$ 673	\$ 612	\$ 549	\$ 469	\$ 426	\$ 388
Net interest income	\$ 2,937	\$ 2,804	\$ 2,762	\$ 2,597	\$ 2,593	\$ 2,552	\$ 2,458	\$ 2,444	\$ 2,378	\$ 2,417
Provision for loan losses	\$ 53	\$ 140	\$ 176	\$ 169	\$ 110	\$ 84	\$ (302)	\$ 135	\$ 663	\$ 204
Noninterest income	\$ 1,503	\$ 1,337	\$ 1,085	\$ 753	\$ 842	\$ 759	\$ 729	\$ 512	\$ 709	\$ 541
Noninterest expense	\$ 3,256	\$ 2,967	\$ 3,334	\$ 2,594	\$ 2,806	\$ 2,551	\$ 2,267	\$ 2,316	\$ 2,115	\$ 2,238
Income tax expense	\$ 262	\$ 259	\$ 91	\$ 130	\$ 140	\$ 176	\$ 384	\$ 155	\$ 416	\$ 188
Net income	\$ 869	\$ 775	\$ 246	\$ 457	\$ 379	\$ 500	\$ 838	\$ 350	\$ (107)	\$ 328
Period-end:										
Loans (net of deferred origination costs and ALLL)	\$ 312,829	\$ 304,891	\$ 300,087	\$ 285,376	\$ 271,775	\$ 268,424	\$ 264,781	\$ 255,947	\$ 250,963	\$ 245,505
Assets	\$ 357,020	\$ 336,662	\$ 330,234	\$ 323,456	\$ 292,341	\$ 289,837	\$ 283,619	\$ 305,668	\$ 270,277	\$ 262,801
Deposits	\$ 292,761	\$ 281,669	\$ 283,339	\$ 277,047	\$ 255,304	\$ 242,232	\$ 236,988	\$ 260,709	\$ 226,200	\$ 215,158
Shareholders' equity	\$ 37,193	\$ 36,445	\$ 36,979	\$ 37,115	\$ 37,037	\$ 36,958	\$ 36,540	\$ 35,659	\$ 35,814	\$ 35,946
<b>Profitability Statistics</b>										
Return on average assets	1.00%	0.93%	0.30%	0.59%	0.52%	0.70%	1.14%	0.49%	-0.16%	0.51%
Return on average shareholders' equity	9.44%	8.44%	2.66%	4.93%	4.10%	5.44%	9.29%	3.92%	-1.19%	3.67%
Average shareholders' equity to average assets	10.62%	11.01%	11.33%	12.04%	12.71%	12.82%	12.25%	12.41%	13.46%	13.84%
<b>Common Stock Statistics</b>										
Common shares outstanding	3,066,683	3,086,580	3,201,105	3,222,555	3,265,546	3,300,978	3,315,470	3,317,670	3,361,845	3,368,932
Book value per common share	\$ 12.13	\$ 11.81	\$ 11.55	\$ 11.49	\$ 11.37	\$ 11.20	\$ 10.84	\$ 10.79	\$ 10.61	\$ 10.85
Earnings per common share	\$ 0.28	\$ 0.25	\$ 0.08	\$ 0.14	\$ 0.12	\$ 0.15	\$ 0.25	\$ 0.11	\$ (0.03)	\$ 0.10
Cash dividends declared per common share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dividend payout ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Regulatory Capital Ratios (Bank)</b>										
Total Capital	11.8%	11.2%	11.0%	11.6%	12.1%	12.0%	12.1%	10.9%	12.2%	13.0%
Common equity Tier 1 capital	10.5%	10.0%	9.8%	10.3%	10.8%	10.8%	10.9%	10.9%	11.0%	11.8%
Tier 1 capital (to risk-weighted assets)	10.5%	10.0%	9.8%	10.3%	10.8%	10.8%	10.9%	12.2%	11.0%	11.7%
Tier 1 capital (to adjusted total assets)	9.4%	9.3%	9.4%	9.8%	10.1%	10.1%	9.9%	10.0%	10.3%	11.0%

**Equitable Financial Corp.**

## Balance Sheet

## Unaudited

	<u>December 31, 2019</u>	<u>June 30, 2019</u>
<b>Assets</b>		
Cash and due from financial institutions	\$ 7,426,099	\$ 3,149,820
Interest-earning deposits	—	1,409,852
	<u>7,426,099</u>	<u>4,559,672</u>
Securities available-for-sale	18,670,306	9,364,450
Securities held-to-maturity	63,712	270,475
Federal Home Loan Bank stock, at cost	922,200	325,300
Federal Reserve Bank stock, at cost	469,200	469,200
Loans, net of allowance for loan losses of \$4,632,000 and \$4,445,000, respectively	312,829,076	300,087,266
Premises and equipment, net	6,590,251	6,412,662
Foreclosed assets, net	4,054	223,200
Accrued interest receivable	2,257,087	2,120,629
Deferred taxes, net	385,841	386,051
Customer list intangible	1,878,790	1,965,132
Bank-owned life insurance	3,559,441	1,750,000
Other assets	1,963,909	2,300,067
	<u>357,019,966</u>	<u>330,234,104</u>
<b>Total assets</b>	<u>\$ 357,019,966</u>	<u>\$ 330,234,104</u>
<b>Liabilities and Stockholders' Equity</b>		
Liabilities:		
Noninterest-bearing deposits	\$ 32,157,748	\$ 33,199,553
Interest-bearing deposits	260,603,312	250,141,818
	<u>292,761,060</u>	<u>283,341,371</u>
Lines of credit	1,928,000	—
Federal Home Loan Bank Borrowings	20,335,700	5,000,000
Advance payments from borrowers for taxes and insurance	642,732	532,175
Accrued interest payable and other liabilities	2,923,047	3,134,690
<b>Total liabilities</b>	<u>318,590,539</u>	<u>292,008,236</u>
Common stock in ESOP subject to contingent repurchase obligation	1,235,981	1,235,981
Stockholders' equity:		
Common stock, \$0.01 par value, 25,000,000 shares authorized 3,066,683 and 3,201,105 shares issued and outstanding at December 31, 2019 and June 30, 2019, respectively	30,667	32,011
Additional paid-in capital	22,351,137	23,936,182
Retained earnings	17,109,907	15,465,624
Unearned ESOP shares	(761,752)	(830,966)
Shares reserved for stock compensation	(298,647)	(374,308)
Accumulated other comprehensive loss, net of tax	(1,885)	(2,675)
Reclassification of ESOP shares	(1,235,981)	(1,235,981)
<b>Total stockholders' equity</b>	<u>37,193,446</u>	<u>36,989,887</u>
<b>Total liabilities and stockholders' equity</b>	<u>\$ 357,019,966</u>	<u>\$ 330,234,104</u>

# Equitable Financial Corp.

## Income Statement

### Unaudited

	For the six months ended	
	December 31, 2019	December 31, 2018
Interest income:		
Loans	\$ 7,761,435	\$ 6,379,782
Securities	88,917	30,553
Other	57,472	19,776
<b>Total interest income</b>	<b>7,907,824</b>	<b>6,430,111</b>
Interest expense:		
Deposits	2,025,059	1,227,965
Federal Home Loan Bank borrowings	134,223	48,120
Other	7,703	9,525
<b>Total interest expense</b>	<b>2,166,985</b>	<b>1,285,610</b>
<b>Net interest income</b>	<b>5,740,839</b>	<b>5,144,501</b>
Provision for loan losses	193,075	194,160
<b>Net interest income after provision for loan losses</b>	<b>5,547,764</b>	<b>4,950,341</b>
Noninterest income:		
Service charges on deposit accounts	368,422	384,537
Brokerage fee income	878,218	645,824
Gain on sale of loans	694,123	277,422
Other loan fees	539,055	163,957
Other income	360,175	129,611
<b>Total noninterest income</b>	<b>2,839,993</b>	<b>1,601,351</b>
Noninterest expense:		
Salaries and employee benefits	3,348,173	2,978,792
Director and committee fees	92,776	82,650
Data processing fees	405,709	334,570
Occupancy and equipment	595,951	615,328
Regulatory fees and deposit insurance premium	35,973	121,175
Advertising and public relations	230,466	158,230
Professional fees	95,551	404,140
Supplies, telephone and postage	64,821	154,463
Other expenses	1,353,500	508,370
<b>Total noninterest expense</b>	<b>6,222,920</b>	<b>5,357,718</b>
Income before income taxes	2,164,837	1,193,974
Income tax expense	(520,554)	(315,584)
<b>Net income</b>	<b>\$ 1,644,283</b>	<b>\$ 878,390</b>